



Of Interest In Kentucky

Quarterly Newsletter of the Department of Financial Institutions

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"The mission of the Department of Financial Institutions is to serve Kentucky residents by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, and encouraging economic opportunities."

Bills change mortgage, payday regulation

HB 106 passes—mortgage regulation will comply with federal mandate

House Bill 106 was signed by Gov. Steven L. Beshear on March 27 and will become law in June.

The legislation, sponsored by Rep. Tommy Thompson, amends Kentucky's mortgage statutes to comply with the requirements set forth in the S.A.F.E. Mortgage Licensing Act, federal legislation passed and signed into law on July 30, 2008.

"DFI is very pleased that the bill passed. This proposed legislation will ensure that Kentucky complies with the Act and will allow our department to maintain regulatory oversight of mortgage loan originators in Kentucky," said DFI Commissioner Charles Vice.

In fact, Kentucky already complies with several of the requirements, putting our state ahead of many others. The Act requires states to participate in the Nationwide Mortgage Licensing System (NMLS), which Kentucky was one of the first to join. Additionally, HB 106 complies with the Act by setting forth more stringent licensing requirements for those who originate mortgage loans. Also, since the NMLS is mandated by the Act to implement a competency

test and education courses for mortgage originators, HB 106 repeals similar requirements that were set forth in last year's changes to the state mortgage law.

For more information about HB 106, visit www.lrc.ky.gov/record/09RS/HB106.htm. For more information about the S.A.F.E. Act, visit www.csbs.org/AM/Template.cfm?Section=SAFE_Act. Information for the industry regarding changes in regulation soon will be posted on DFI's Web site at www.kfi.ky.gov.

HB 444 passes—improves regulation of payday lending industry in Kentucky

House Bill 444 was signed by Gov. Steven L. Beshear on March 25 and will become law in June.

The bill, sponsored by Rep. Johnny Bell, expands DFI's enforcement authority of the payday lending industry and calls for implementation of a real-time database. The database will ensure that customers do not have transactions that exceed the maximum amount allowed by Kentucky law – not more than two at a time totaling \$500.

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New DVD available

DFI co-hosted six Senior Scam Jam events across Kentucky in 2007 and 2008. At these events, senior citizens learned how to guard against various types of fraud.

DFI and AARP have produced a video summarizing the information presented at the Senior Scam Jam events. Copies of the video, "Buyer Beware," are limited, but are being made available for free on a first-come, first-served basis to groups of 25 or more. To request a copy, call DFI at 800-223-2579 or AARP at 866-295-7275.



In Brief ...

Vice, Wilson visit congressmen

Commissioner Charles Vice and Deputy Commissioner Ambrose Wilson IV visited several of Kentucky's congressmen during the recent Conference of State Bank Supervisors (CSBS) Washington, D.C., fly-in. CSBS sponsors the annual event to bring together congressmen, regulators and policymakers to voice support for the state banking system.

Vice and Wilson met with congressmen Geoff

Davis, Ben Chandler and John Yarmuth, as well as Senator Mitch McConnell.

They attended meetings with officials from the FDIC, the Department of Housing and Urban Development, the chairman of President Obama's Economic Advisory Council and the Federal Reserve. They also met with House Financial Services Committee Chairman Barney Frank and Committee Ranking Member Spencer Bachus to discuss pending legislation.

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Two bills signed by governor

"DFI is pleased that the bill passed," said Vice. "We believe this proposed legislation will allow our department to improve our regulatory oversight of this industry, which in turn should benefit and help protect the public."

HB 444 specifies that the database should be implemented by July 1, 2010. Development of the database will likely be contracted out through a bid process.

The legislation increases DFI's authority to impose sanctions such as ordering restitution, imposing probation and levying fines.

The legislation also clearly voids Internet payday lending, which is unlicensed, and therefore illegal, activity in Kentucky. The bill specifies that neither fees nor principal may be collected on such advances.

For more information about the bill, visit www.lrc.ky.gov/record/09RS/HB444.htm. Information for the industry regarding changes in regulation soon will be posted on DFI's Web site at www.kfi.ky.gov.

In Brief...

Four appointed to board

Gov. Steven L. Beshear has appointed four new members to the Financial Institutions Board. The appointments include three banking industry representatives: Frank Ramsey Jr. of Madisonville, Mark A. Gooch of Pikeville and William Frederick Brashear II of Hyden; and one public-at-large representative: David S. Beck of Louisville. All four members will serve terms expiring Oct. 10, 2012.

For more information, visit www.kfi.ky.gov/aboutus/board.htm.

DFI supports saving money and protecting consumers

Kentucky DFI supported America Saves Week Feb. 22 to March 1, 2009, and National Consumer Protection Week March 1-7, 2009.

For more information on the programs and events related to these initiatives, including Web sites and tips, read the press releases in DFI's newsroom at www.kfi.ky.gov/newsroom/.

Meet the staff

Seth Shreffler brought additional examiner experience to DFI on Feb. 16. Joining the staff as a certified financial institutions examiner, Seth has seven years experience working for the Federal Deposit Insurance Corp. "I'm glad to be here," he said. "I'm getting used to being back in the field."



For several months in 2008 he was a stay-at-home dad, then worked as a credit analyst at the Bank of the Bluegrass. He received his bachelor's degree in finance from Eastern Illinois University. He and his wife, Tabitha, live in Georgetown with their daughter, Adelyn.

Marni Rock Gibson joined the Securities Division's Enforcement Branch on March 1, as a securities enforcement officer. She graduated from Transylvania University with a double major in economics and business finance in 2000. After receiving her bachelor's degrees, she worked in the banking and securities industries for five years before spending three years as a stay-at-home mom. Originally from Lawrenceburg, Marni and her family now live in Versailles, where her husband J.P. just opened a new restaurant called Ricardo's. They have four children, 7-year-old Evan, 3-year-old twins Jack and James and 1-year-old Campbell.



Michelle Durham became a financial institutions examiner in the Securities Division on March 1. Previously she worked in the 401(k) department of Fidelity Investments and, more recently, at a bank. She received a culinary degree from Cincinnati State Technical and Community College and then a bachelor's degree in business administration from Northern Kentucky University in 2006. She lives in Lawrenceburg and will be married to fiancée Ashley Womack in May.

